

The Real Estate  
Institute of Victoria Ltd

Annual Report

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2019 - 2020



REIV

## PRESIDENT'S REPORT



The 2019/20 financial year was extraordinary, presenting both opportunity and considerable challenge for the REIV, our Members, their clients and customers and friends and families.

The year started well with market activity in Metropolitan Melbourne bouncing back in the aftermath of the Federal election and market corrections increasing confidence and providing real opportunities for property buyers. Regional Victoria had, for the most part, weathered the uncertainties of

an election year better than Metropolitan Melbourne and continued to demonstrate genuine growth. Overall, the real estate sector was looking forward to the market continuing to pick up and deliver strong results and it did. REIV's quarterly results in October 2019 demonstrated overall quarterly growth for Melbourne of 4.5%, being the highest result since March 2017 and Regional Victoria saw unit prices increasing by 7.1%. The expansion of the First Home Buyers Scheme was welcomed and vacancy rates remained low. Results continued to improve as expected and then the bushfires started. Our thoughts went out to our Members, their colleagues, families and friends in the affected areas and the Office Bearers contacted the OIEC's of Member agencies to offer the REIV's support. All Directors were committed to holding a Board meeting in a bushfire zone, to meet with local Members and to spend their own tourist dollars to do their bit, arrangements were made and then COVID-19 became a real threat in Australia and life changed for us all.

It is in times of crisis that organisations like the REIV can really demonstrate their value and the REIV has done just that. I am immensely proud of the way and the speed with which the CEO and his team responded and the commitment, diligence and innovation that has been and continues to be shown day in and day out.

I am deeply grateful for the commitment shown by my fellow Directors on the Board. We have been holding monthly virtual Board meetings since our strategy weekend in March, not only to keep a close watch on financial performance, but also to manage risk, support management and ensure prompt decision making; including the early decision to support Members by not raising membership fees for 2020/21 and deferring the renewal date from 1 July to 1 October 2020. The Board was encouraged by the numbers of Members who renewed prior to the due date and is delighted at the continuous flow of new Individual and Office Members who are joining the REIV.

I am proud too of how REIV Members have demonstrated their agility, innovation, resilience, care for their staff, their clients and their colleagues in very trying and unprecedented circumstances.

The support of our Members, their responses to REIV surveys, their responses to REIV requests for case studies, their feedback, their diligence in following the rules all played critical parts in the REIV's advocacy wins and the success of the *"Dear Mr Premier, I don't think you understand"* campaign.

While COVID-19 will likely be the lasting memory for many, there have been other notable events in the REIV's year.

The Board's proposed Constitution may not have been adopted, but the modernising proposals and engagement process generated considerable interest, excitement and expectation throughout the membership. Although the Board decided not to proceed with Constitutional change this year, but to achieve some essential change through updated By Laws, the need for modernisation of the Constitution remains. More information on Governance matters is set out in the body of the Annual Report.

The promised review of the Continuing Professional Development Framework was delivered. The new program was launched in August and there is considerably more opportunity for Members wherever they are in Victoria and wherever they may be in their careers to invest and benefit from their development.

Division boundaries were reviewed and refreshed in response to Member feedback and the 2019/20 Regional Connect series continued despite our inability to meet face to face. Going forward, every Member in every Regional Division will have the opportunity every year to participate in at least two virtual REIV Meetings and one face to face Connect event – when travel and indoor gatherings are permitted.

The REIV's shareholding in Realestateview.com.au Ltd (REV) reduced to 17.94% as a consequence of a capital raising exercise by REV in September 2019. While the REIV remains a significant shareholder, the reduction means that the REIV no longer needs to account for REV financial performance in our accounts. The shareholding is now being accounted for as a non-current asset given that the Board has no intention of reducing the shareholding over the coming year. We are grateful to Ian Armstrong and Jacob Caine for their time as the REIV's Nominee Directors on the REV Board and are pleased to announce the appointment of Joseph Walton as the new REIV Nominee Director following Jacob Caine's election to the REIV Board.

The Board acknowledged the long, outstanding and meritorious service to the REIV and to the real estate profession of two well-known and highly respected REIV Members through the award of Honorary Life Membership to Neville Sanders and George A Thomson Jnr.

After three years with no changes to the elected Directors on the Board, this year we lost Frank Hellier and Lee Maher and welcomed Andrew Meehan and Jacob Caine.

Overall, despite the extraordinary circumstances from March, a considerable amount for which we should all be very proud has been achieved and this is evidenced by the performance highlights set out in the report.

Looking ahead, the REIV's 2018-21 Strategy comes to an end in June 2021 and in March next year the Board will be turning its attention to development of the strategy for the next three years.

A handwritten signature in black ink, appearing to read "Leah Calnan", written in a cursive style.

**Leah Calnan**

## CEO'S REPORT



I am pleased to report that the REIV consolidated entity returned a profit of \$ 152,173 despite the end of the financial year being adversely impacted by the Coronavirus. This was able to be managed by ongoing close management of suppliers and expenditure, as well as stimulus payments through the government's JobKeeper initiative. The impact of COVID-19 on the real estate market has been profound. The further we approached the end of June, the more difficult it became for our members. This was exacerbated by substantial confusion and uncertainty in relation to the practical application of

Directions issued by the Chief Health Officer. The real estate market held up quite well for the first few months, however as we moved to the second wave and harsher lockdown provisions, there was a visible decline in property transactions. This naturally impacted on the REIV's approach to training and events, as well as on transactions such as the sale of forms. The need to do things differently was quickly identified and online and blended-delivery training was put in place bearing some excellent outcomes towards the end of the financial year. We continue to see great results being delivered by our training team.

One of the most pleasing aspects that evidenced the REIV's preparedness for circumstances such as this global pandemic was our ability to swiftly move our employees off site and operate remotely. The business continuity plan was developed in 2019 to account for just such an eventuality. While many businesses were 'caught short' by the requirement from government to change the way they worked, the REIV had considered this issue some time ago as part of our risk assessment strategy. I would have to say the transition to 'working from home' at the various restriction levels was seamless with productivity seeing an increase very quickly. Development of Business Plans and associated budgets for 2020/21 were, however, delayed by the onset of the pandemic and deferred until the end of the year. The frequency of meetings of the Board of Directors was increased to monthly to closely monitor the activities and financial impact of COVID-19 on the REIV. Financial reporting was done on a comparative P&L basis with monthly reporting to the Board.

Performance against the strategic goals is highlighted in the body of the report. We are nearing the end of the final year of the three-year strategic plan and it is with some pride I can say that all three tiers of its objectives are well on the way to full delivery. Those achievements have been enabled, not least, by targeted investment in technology and the commitment and performance of our people.

Like all organisations, the REIV is dependent on technology and a range of standard and specialist systems and software to ensure efficient and effective operation of all aspects of the business. Analysis of our systems in 2018 revealed a hotch potch of out of support, outmoded, over customised, underutilised, poorly integrated and over-priced solutions that were hindering rather than supporting our services to Members and internal operations and posed business continuity and security risks. A technology strategy and implementation plan were developed with key delivery milestones being achieved in 2019/20 - moving from local to cloud based servers, completion of the membership



system upgrade and transfer to MYOB, implementation of eTrainu as the online training system and Vetrack as the student management system.

Were it not for this much needed and timely investment and the existence of tried and tested Business Continuity and Disaster Recovery Plans, the closure of the REIV Camberwell office as required at the end of March would have severely impacted on our ability to serve our Members. Virtual Meetings using Zoom and Microsoft Teams and webinars have proved their value, not least because of their accessibility regardless of location, and will be integrated into post-COVID “normal” operations.

I am very proud of the way my team responded to remote working, not only in terms of their productivity and commitment, but also how they are meeting every challenge head on and demonstrating great initiative and innovation in finding solutions.

During the pandemic, the need for strong advocacy has been demonstrated. I have been at pains to express my view that the level of advocacy being observed by our Members is actually ‘business as usual’; the difference being it is more visible and relevant to the Membership in the ever-changing landscape of COVID-19. We have been successful in turning around some firmly held positions of government and have been very influential in their policy position, often drafting the wording that appears on various departmental websites. The strength of the REIV and the importance of the real estate profession is clearly recognised by the Victorian Government and Opposition alike.

I would like to thank the REIV Board of Directors for their continued support and the REIV team for all their hard work this year.

A handwritten signature in black ink, appearing to read "Gil King", with a long horizontal stroke extending to the right.

**Gil King**



# Voting at the General Meeting

Total REIV Members: 8,795\*

**4,202**

Members eligible to vote

Licensed & Representative members

**10,740**

Available votes

3 per Licensed Member

1 per Agent's Representative Member

## Eligible Member Participation

**21%**

Voted in the General Meeting, 864 members.

### Member Types

Licensed

717

Representative

147

## General Meeting Results

2,298 votes cast

74.6%



1,714 votes

25.4%



584 votes



\*As at 4 March 2020, excluding Affiliates.

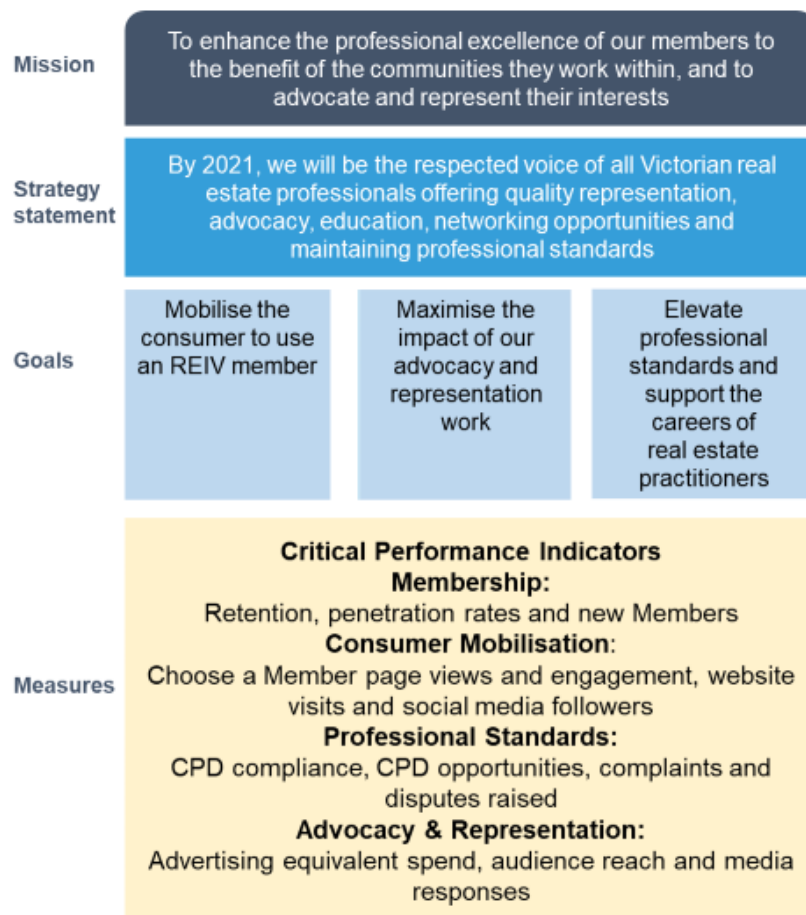
## CORPORATE GOVERNANCE

The REIV Board is responsible for the overall strategic direction, governance and management of the REIV and for delivering accountable corporate performance. The Board takes its responsibilities for the proper management and stewardship of the REIV seriously and is mindful of the *AICD Not-for-Profit Governance Principles* (January 2019) in the development and ongoing management of the REIV governance framework.

### Strategy

The Board's three year strategy has been reviewed annually since its adoption in 2018 with only minor adjustments to reflect achievements and changed circumstances. The Strategy will be due for fundamental review in March 2021.

### REIV Strategy – 2018 to 2021



To underpin the strategy, in 2018 the Board embarked on a fundamental review of the REIV's governance framework commencing with the re-definition of Division Boundaries and Division and Chapter function, powers and duties. The Board's intentions to review the Constitution in support of the continued evolution of the REIV were shared with Members through the 2017/18 and 2018/19 Annual Reports and at the 2018 Annual General Meeting. The Board's detailed work on the Constitution commenced in March

2019 and good use was made of Connect events, Members' Council, Past Presidents' Council and Chapter Committee meetings and EA magazine to advise Members of progress and the key principles and details when sufficiently well formulated.

The new Constitution was presented to the 2019 Annual General Meeting and despite considerable support from a majority of Members, it was not adopted achieving 70% of votes cast – 5% short of the 75% required for a special resolution to be carried.

As requested by Members, more face to face and online opportunities for discussion on the Constitution were provided, but attracted disappointingly low levels of participation. Ultimately, the Board decided to re-present the Constitution unchanged to a General Meeting. In so doing, further explanatory materials were issued, including the detail of and all responses to critical comments and questions received from some Members.

A phenomenal 864 Members participated in the vote at the General Meeting on 4 March 2020. The Constitution was not adopted, failing to achieve the required 75% majority by less than half of one percent. While still committed to the new Constitution, efforts to achieve constitutional change were put on hold. Given the depth and breadth of support for modernisation, Members were advised of the Board's intention to achieve some change by using its powers within the confines of the existing Constitution.

New By Laws were adopted by the Board in June 2020. The new provision reflected intentions that had been shared with Members throughout engagement on the proposed Constitution.

Membership	Chapters, Divisions, Members' Council & Past Presidents' Council	Discipline, Disputes, Elections
<ul style="list-style-type: none"> <li>•Expansion of Licensed Membership to include suitably qualified Owners Corporation Managers and Valuers</li> <li>•Expansion of Representative Membership to include Owners Corporation Managers not eligible for Licensed Membership</li> <li>•New membership application procedures</li> <li>•Refinement of provision for Honorary Life Members and Student Members</li> </ul>	<ul style="list-style-type: none"> <li>•Definitions of functions, powers and duties</li> <li>•Conduct</li> <li>•Procedures to supplement and complement provision in the Constitution</li> <li>•Revision of Division Boundaries</li> </ul>	<ul style="list-style-type: none"> <li>•Introduction of a disciplinary procedure</li> <li>•Replacement of the Arbitration and Professional Standards Committee with a more streamlined Member to Member dispute process</li> <li>•Procedures for the conduct of Director and Division Committee elections by electronic means</li> </ul>

In May, the Board approved a much improved Continuing Professional Development Framework, with the program being launched formally in August. A program to review and update all Committee Charters commenced in June, with completion scheduled for the end of the calendar year.

While some important improvements were achieved through the delivery of new By Laws, the need for modernisation of the Constitution remains.



## PERFORMANCE HIGHLIGHTS

There follows a summary of achievements in the delivery of the strategy over the last 12 months and developments for 2020/21.

## MEMBERSHIP

REIV membership for 2019/20 continued to maintain the strong historical numbers of the previous three years. Office membership finished the financial year with the third highest total over the last 17 years and Licensed membership numbers were the second highest in the same period.

Total Membership (including Affiliates)			
	30 June 2020	30 June 2019	Variance
Office	2,415	2,434	-0.8%
Individual	5,821	5,581	+4.3%

The slight overall reduction in Office Members was the result of the closure of a number of Branch Offices. However, these losses were nearly counteracted by an 11% increase in the number of Sole Trader Office Members.

Overall REIV Individual membership increased by 4.3%. This growth included a 1.9% rise in the number of Licensed members and a 52.7% increase in Individual Affiliates. A wide range of real estate professionals took advantage of the opportunity to gain direct access to REIV information, tools and support, including COVID-19 related materials, through the short term Affiliate offer launched in April 2020. With the changes to the By Laws effective from 1 June 2020, some Affiliates became eligible for Licensed or Representative membership and have since transferred their membership accordingly.

The number of Representative Members decreased by just over 12%, reflecting similar reductions in the number of Agents Representatives registered with the Business Licensing Authority. Some improvement had been anticipated in line with the clear signs of market recovery in the first six months of the financial year. However, the decline was very much attributable to COVID-19 restrictions on real estate transactions and the consequential impact on agencies.

The number of people enrolling for the REIV Agents Representative training leapt following the launch of the on-line course in April 2020, and this is evidenced by the 27.8% increase in Student Members.

Looking ahead, despite the due date for membership renewals having been deferred from 1 July to 1 October 2020, some 75% of Members had renewed by mid-September. Plans for engagement with Members who have not yet renewed are being implemented and applications for new Office, Licensed and Representative members and individual and corporate Affiliates continue to be processed.

# Helping you navigate the new normal

Working together keeps us all ahead.

The overview below is a reflection of your support and engagement with your Institute, your representative.



## Emails related to COVID-19 updates



Number of emails sent **390,744**



Average open rate **49%**

## Media Coverage



**3,342**  
Media story features



**\$43,822,300**  
Equivalent media spend



**48.3 Million**  
Estimated reach



**1900+**  
Members

Managing real estate business  
during the COVID-19 pandemic

REIV Member Group on Facebook

## Social Media Engagement

compared to the previous period



up by **418%**



up by **138%**



up by **167%**



up by **152%**



**40+** Online Webinars  
with **2000+** Attendees

## Templates and Resources



Toolkits



Letter Templates



FAQs



Webinar Recordings



Fact Sheets



Reference Guides



Data Insights



**646**

**New Members**

An increase of **37%** compared to the  
same period last year.

## Members' satisfaction on a scale of 1-5

REIV Property Management Survey September 2020

State Government

**2.0**

REIV

**4.2**

Note : All figures calculated for the period between 15 March 2020 and 15 October 2020

## **ADVOCACY AND REPRESENTATION**

The REIV's position as the peak body for the real estate sector has continued to grow. It is not unusual for any association's advocacy and representation work to go largely unnoticed by Members, given that much of the early stages of engagement with government and other key external stakeholders happens behind closed doors. Despite communication on progress, it may only be when outcomes are delivered and they are directly relevant to individuals that Members' awareness is triggered.

This all changed in March 2020 as the COVID-19 pandemic became a real threat in Australia, the Federal and State Governments commenced emergency measures and Members looked to the REIV not only to fight the real estate corner, but also provide information and resources that they could trust. As restrictions in Victoria tightened, residential and commercial landlords and consumers also increasingly turned to the REIV for information.

The Infographic highlights the scale of the support provided to Members in the period March to October and the extent of Member engagement and use of the information and resources provided. The REIV has not relaxed its efforts to lobby on behalf of Members and the real estate sector as a whole, to secure appropriate resolution of inconsistencies in the information provided by Government departments and other agencies, and in the provision of high quality information and resources to support Members through these very challenging times.

While there were some who complained that the REIV neither did nor achieved anything, the facts speak for themselves. There were a number of significant successes that enabled real estate transactions and services to continue and ensured expert input to the State Government's management of some of their initiatives. For example, enabling private inspections and online auctions during Stage 3, enabling essential activities related to property settlement during Stage 4, deferral of the implementation of the Residential Tenancies Regulations for 6 months, the appointment of Richard Simpson to the Commercial Leasing Advisory Group. Despite ongoing, evidence based, consistent, rational engagement with the right people at the highest levels, some matters fell on deaf ears as to concede would have been at odds with wider State Government policies, points of principle and preferences.

To focus solely on the REIV's work during the pandemic, would be to diminish other important policy work throughout the year. During 2019/20, the REIV lobbied on a range of other matters including:

### **Underquoting and Statements of Information**

CAV consulted with the REIV regarding proposed changes to the Statements of Information and the REIV provided a response to proposed changes to the Underquoting supporting documentation. The updated SOI form came into effect on 16 September 2019 from which date the SOI form available through PropertyData Online Pty Ltd complied with the required content and format. Members were advised of the changes and to be aware of CAV's intent to enforce compliance and the existence of many non-complying SOIs available through other providers.

### **Material Facts Guidelines**

The REIV liaised with the Law Institute of Victoria and sought input from the REIV Sales and Auction Chapter Committees in its detailed response to the draft Material Facts Guidelines for amendments to the Sale of Land Act. The Sale of Land Amendment Act 2019 came into effect on 2 March 2020 and the REIV was successful in achieving some improvements to the resultant document.

### **Residential Tenancies Act and Implementing Regulations**

The REIV liaised closely with CAV regarding the Draft Regulations for the RTA including proposed changes to Property Management Forms. Most reforms were due to be implemented on 1 July 2020, however some were introduced earlier, notably the Pets provision which was implemented from 2 March 2020. Despite the earlier than expected start date, REIV training for Property Managers was developed and delivered ahead of time.

The REIV also responded to the Regulatory Impact Statement Response and in so doing engaged with the Registered Accommodation Association of Victoria making use of some of their research and data to discredit the financial modelling in the RIS for Minimum Standards.

In April 2020, the REIV was successful in securing a 6 month moratorium to 1 January 2021 on the implementation of the RTA Regulations.

### **Swimming pool and spa barrier regulations**

The issue of safety around pools is paramount and the REIV provided a comprehensive response to the Department of Environment, Land and Water in December 2019. The majority of issues and alternatives suggested by the REIV were adopted.

### **National Training Package**

In 2018/19 the REIV was successful in ensuring the Victorian Government adopted the new national training package for Property Services and in 2020 it was introduced across Australia after several years of consultation between Artibus (one of six independent Skills Service Organisations funded by the Australian Government Department of Education, Skills and Employment to support Industry Reference Committees in their work developing and reviewing training packages), and all State and Territory regulators. The REIA, REIV and all other State and Territory REIs supported and contributed actively to this work.

The new national training package will be implemented in Victoria in November 2020. Over the past year, the REIV has provided considerable input to Consumer Affairs Victoria on their regulatory work to enable implementation.

There will be substantial changes to the training and resultant qualifications for those wishing to become Agents Representatives and Licensed Agents. While the details are not yet finalised, the proposed qualification course for an Agent's Representative consists of 18 units, compared to four currently, and will result in the award of a Certificate IV in Real Estate Practice. The Diploma of Property (Agency Management) will be the new qualification for a Licensed Agent and requires completion of a further 4 units from the Certificate IV for admission onto the Diploma course, which itself comprises 12 units.

## Retail Leases Act

The REIV's response to the 2017 Small Business Regulation Review urged Government to undertake a comprehensive review of the Retail Leases Act 2003 and argued against the reforms that were ultimately published. Since then the REIV was involved in a range of discussions with Small Business Victoria and other stakeholders including numerous commercial Tenant organisations, the Law Institute of Victoria and Australian Property Institute. Despite the consistency of REIV, LIV and API arguments against the direction of travel, those discussions culminated in September 2019 in very short notice consultation on proposals for amendments to the Act. The REIV's view was, not least, that for the most part the amendments were unnecessary, unworkable and inappropriate and would result in market distortion. Despite REIV's engagement with Government and the opposition, the Retail Leases Amendment Bill was passed in September and attention turned to seeking a late implementation date.

## MEDIA

A strong media presence supports the delivery of the REIV mission, strategy and strategic goals by raising awareness of the REIV and, by association, its Members. The provision of measured, evidence based commentary on matters affecting Members, the real estate sector and many Victorians enhances the REIV's reputation and credibility and again, by association, its Members.

The REIV's media profile provides a good indicator of the extent and success of its advocacy and representation work. Audience reach, advertising equivalent spend and media responses – requests for REIV input including provision of quotes, interviews, data and other contextual information – are monitored on a monthly basis and the median monthly results for 2019/20 were as follows.

	2018/19 Monthly Median	2019/20 Monthly Median
Advertising Equivalent Spend	\$440,580	\$1.05million
Audience Reach	3.82million	5.2million
Media Responses	42.5	53

From the onset of the COVID-19 pandemic, the REIV's media profile reached and maintained new levels.

## MOBILISE CONSUMERS

For the first half of the financial year the focus was on the further development of "*The Difference*" brand promise launched in 2018/19. *The Difference* aims to set REIV Members apart and provide consumers with tangible reasons for choosing to use an REIV Member rather than a non-member.

Central to the development of *The Difference* was a partnership between the REIV and the AFL Coaches Association to encourage and support REIV Members to "*Be the Best They Can Be*". Senior AFL Coaches are recognised for their ability to build and sustain high performing teams and the partnership provided Members with direct access to insights and tips.

This partnership also supported the REIV *Choose a Member* service with Senior AFL Coaches featuring in an REIV consumer campaign run on the NewsCorp digital network.



With the progression of the COVID-19 pandemic, the core message of the partnership with the AFL Coaches Association and the REIV's campaigning was changed to “*Resilience and Adaptability*” and focus shifted firmly onto REIV Members. A wide range of resources and activities were developed to support Members adapt and cope, physically and mentally, with the impact on their businesses, themselves, colleagues, family and friends.

With the AFL Coaches Association	With Beyond Blue	By Members for Members
<ul style="list-style-type: none"> <li>○ <i>Resilience is the buzzword for 2020</i> - Article on Herald Sun online</li> <li>○ Discussion series with Nathan Buckley and Chris Scott</li> <li>○ Webinar with John Worsfold</li> </ul>	<ul style="list-style-type: none"> <li>○ Webinars for employers and employees</li> <li>○ A dedicated REIV <i>Wellbeing</i> web page</li> </ul>	<ul style="list-style-type: none"> <li>○ Member videos to share words of encouragement</li> <li>○ A day of recognition for Property Managers</li> </ul>

## ELEVATE PROFESSIONAL STANDARDS

The starting point for raising standards is the provision of high quality entry level training that delivers job-ready candidates. The delivery of the Certificate IV in Property Services and Agent's Representative training has been the core offer from the REIV as a Registered Training Organisation for many years.

The recently released Victorian Student Satisfaction Survey sets the REIV apart from other training providers. Overall, 94.9% of REIV students who completed their training with the REIV, were satisfied with the training provided, against a Victorian average of 84%. The professionalism and reputation of the REIV was highlighted as the main reason students choose the REIV as their preferred training provider. Of employers surveyed, 88% were satisfied with the training provided by the REIV against the Victorian average of 76.8% of employers being satisfied. The proportion of students satisfied with REIV training has been improving each year over the last 3 years.

The REIV has been a strong advocate for the new National Training Package for Property Services and has been closely involved in its development and has provided input to preparations for implementation in Victoria by CAV. There will be a “teach-out” period for students already enrolled on current courses. The REIV is well on the way to being ready for implementation of the new Certificate IV in Real Estate Practice for Agents Representatives and the Diploma of Property (Agency Management) for Licensed Agents in November 2020. In the first instance, training will be offered wholly on-line through the new training platform implemented in April 2020. Classroom learning will be an option when it is possible to do so.

The emergence of the COVID-19 pandemic in early 2020 caused significant disruption to global and local economies and neither the real estate sector nor REIV training were immune. Trading conditions affected enrolments generally and particularly for Agents' Representative courses and without incisive and appropriate action, all REIV training

would have ceased with the introduction of social distancing and other restrictions from March onwards.

The REIV was well prepared with a detailed Business Continuity Plan able to be implemented swiftly and the technology and expertise on hand to transfer to blended learning for the Certificate IV course. With blended learning, students access course materials via the web and support is provided through virtual classroom sessions led by trainers.

At the same time, work to introduce an online training platform was brought forward with all Agents Representative training being provided wholly online from May 2020. The online Agents Representative training has been a great success with a large number of people across Victoria enrolling and completing the training since launch.

### **CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

The second element in elevating professional standards is the provision of training and other opportunities that support the ongoing professional development of REIV Members. The REIV's Continuing Professional Development programme has undergone a fundamental review, with the Board approving the new framework in May 2020 and the new programme being launched in August 2020.

Commitment to ongoing development is expected of all REIV Members. This is not least because higher levels and greater depth of knowledge, skills and expertise beyond those required to practise, raises standards across the real estate sector, set REIV Members apart from non-members and influence consumer choices.

Guiding principles for the new scheme were simplicity, accessibility and meaningfulness. The scheme and the annual points requirements apply to Licensed and Representative members only, regardless of their real estate specialisms and of where they are in their careers. The types of REIV activities that qualify has been expanded, taking on board feedback from Members in a variety of roles throughout Victoria and the facility remains for recognition of relevant development undertaken outside the Institute.

A key feature of the new scheme is the mandatory requirement for successful completion of an Ethics module each year. The module is scheduled for launch in Spring 2020, will change each year and completion will be online.

It has been suggested that the REIV does not offer sufficient opportunity for Members to meet their CPD requirements. Most REIV events attract CPD points and despite the impact of COVID-19 from March 2020, some **149** points were available throughout the financial year through REIV events alone. This compares very favourably with the 100 points available through REIV events in 2018/19.

The REIV switched seamlessly to the use of webinars, with excellent levels of participation. Some 33 webinars were held in the period March to August and attracted over 1600 attendees. Innovative thinking and use of technology enabled the 2020 REIV Auctioneering Competitions to proceed and Awards for Excellence participants and winners to be celebrated. Going forward, webinars will continue be a permanent feature of the REIV events calendar, and will also form part of the annual Regional Connect programme.

The REIV will not only monitor Member CPD totals, but will also communicate with Members at various times in each year to support compliance. To make it easier for Members to manage their CPD points and seek recognition of non REIV development activities, a new CPD page on the REIV Member Portal is in development for launch later this year.

## DATA

### REIV Research

The REIV is uniquely placed with access to raw data directly from Members which is not subject to interpretation, speculation, assumptions or third-party sources. This data is used by the REIV in conjunction with other leading sources of data to develop real estate market insights that assist Members in the development and conduct of their businesses, support REIV policy development, advocacy and representation and is of value to many others with a vested interest in the Victorian real estate sector; the State Treasurer's office being but one example.

Auction Clearance Rates are published weekly and the REIV's methodology is viewed by Government as providing the most accurate indicators as compared to data published by commercial operators. In response to Member and consumer concerns about the data, the REIV methodology was republished in the August 2020 EA magazine.

REIV Members have access to monthly REIV Research Bulletins as part of their membership and can also request more complex reporting from the REIV Research Team.

In 2019/20 REIV Research focused on developing additional resources to provide objective and insightful information about the Victorian property market. Such resources included:

Local Government Area Profiles	Property Management and COVID-19	Property Prices in Victoria and COVID-19	Market Resilience and COVID-19
<ul style="list-style-type: none"> <li>•Single page market performance snapshots for each Metropolitan Melbourne LGA and each Victorian Region outside Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>•Surveys and resultant reports on the impact of the pandemic on residential and commercial property management</li> </ul>	<ul style="list-style-type: none"> <li>•A report based on REIV RMX data that showed that prices were holding steady despite limits on activity</li> </ul>	<ul style="list-style-type: none"> <li>•Key indicators web-page demonstrating resilience during the pandemic</li> </ul>

### **PropertyData Online Pty Ltd**

Property Data On-Line Pty Ltd is a wholly owned REIV subsidiary and Richard Simpson was appointed by the Board in October 2018 as the sole Director of the Company. As an REIV subsidiary, the Company's financial performance forms part of the REIV's consolidated accounts.

The Company delivered a profit in the 2019/20 financial year achieved not least through the efficient and effective use of resources, active customer relationship management, product improvements and value add enhancements and development of partnerships. Significant data integrations continue to drive business growth, with multiple property intelligence partnerships firmly in place for the next 12-24 months guaranteeing sustained revenue.

In the last quarter of the year subscriber numbers began to be affected by the COVID-19 pandemic, with losses owing to business closures. However, the overall position was better than it might otherwise have been through a focus on supporting and retaining subscribers and case by case negotiation of temporary subscription suspensions or discounts as appropriate to individual subscriber circumstances.

The Company made good use of the quieter periods to expedite the conclusion and implementation of various strategies as set out in the 2019/20 Business Plan. This included data enrichment across sales transactions and mapping feature integration with Sales CMAs and Statement of Information reports. In addition, independent property profile pages are now a stable feature and the PropertyData education portal for REIV students represents a market first.

### **OCCUPATIONAL HEALTH AND SAFETY**

The REIV is committed to ensuring the health and safety and welfare of our employees and all visitors to the REIV premises; whether Members, Students, non-members attending events or contractors. Our goal is the prevention of work related injuries and illnesses and the development and promotion of safe systems of work. This goal is underpinned by policies, plans and procedures, teams of trained first aiders and fire wardens, training for all staff, safety instructions for visitors, incident reporting and ongoing risk assessment, mitigation and management.

Over the course of the last year there have been no reportable incidents.

Recent actions have included installation of security measures for Reception, air quality assessment, improvement to exterior lighting at the rear of the building, improving visibility and reducing trip hazards in the rear staff stairwell, support for the mental wellbeing of staff during lockdown and remote working and developing the REIV's COVID Safe Plan. While the REIV office is not yet open, we are ready to do so safely.

In light of the introduction of a new criminal offence of workplace manslaughter from 1 July 2020, the Board has appointed Andrew Meehan as the Responsible Director to engage with Management on the ongoing development of the REIV's OHS framework and OHS reporting to the Board.

## MEMBER REPRESENTATION

At 30 June 2020

### REIV BOARD COMMITTEES AND REIV BOARD APPOINTMENTS TO OTHER BODIES

#### Board Management and Finance Committee

Adam Docking	Chair
Leah Calnan	
Robyn Waters	
Richard Simpson	
Lee Maher	

**PropertyData OnLine Pty Ltd Director**  
Richard Simpson

#### Membership Committee

Sophie Lyon	Chair
Cameron Way	
Michael Blake	
Noel Dyett	
Frank Hellier	

**REIA Director**  
Richard Simpson

#### Estate Agency Practice Committee

John Pratt	Chair
Lee Maher	
Cameron Way	
Andrew Boyce	
Troy Guthrie	
Ian James	
Colin Judd	
Carol Robertson	

**REV Directors**  
Jacob Caine  
Ian Armstrong (to December 2019)



## CHAPTER COMMITTEES

At 30 June 2020

### Auction

Adam Docking	Chair
Luke Banitsiotis	
Jane Caulfield	
Michael Hall	
Harry Li	
Andy Reid	
Raoul Salter	
Paul Tzamalīs	
Jeremy Tyrell	

### Business Brokers

Gloria Ammerlaan	Chair
Grita Angelucci	
Amin Badawi	
Anthony Latessa	
Jamal Dabab	
Ian Wollermann	

### Buyers' Agents

Ian James	Chair
Bernard Corser	
Noel Dyett (B)	
Richard Kerr	
Paul Murphy	
Janet Spencer	
Eddie Van Pamelen	

### Commercial and Industrial

Tim Mitchell	Chair
William di Donna	
Michael Di Carlo	
Marni Lawson	
Megan Mander	
Andrew Prowse	
Richard Simpson	

### New Members

Toby Campbell	Chair
Anthony Cimino	
Peter Hannon	
Megan Kimpton	
Luke Piccolo	

(B): Board representative

### Owners Corporation

Adam Mikkelsen	Chair
Lee Maher (B)	
Norman Mermelstein	
Michael Nardella	
John Ross	
Neville Sanders	
Alex Starr	
Lucas Taylor	
Kate Yeowart	

### Property Management

Clem Tralongo	Chair
Sabina Aldouby	
Leah Calnan	
Cindy Hartnett	
Nikki Jensen	
Sophie Lyon	
Christine Steere	
Courtney Thursfield	
Gina Tobolov	

### Sales

Andrew Meehan	Chair
Leyden Burdett	
Karen Chernishov	
Christine Henderson	
Jason McDaniel	
Anthony Molinaro	

### Valuers

Jim Derzekos	Chair
Warwick Burnham	
Aldo Galante	
Jan Hancock	
Peter Lawrence	
Damian Lynch	
Stephen Miles	
Darrell Simpson	
Julian Valmorbida	
Nicholas Walsh	

## DIVISION COMMITTEES

New Division geographical boundaries were implemented from 1 June 2020.

REIV Divisions	Local Government Areas
<b>Mallee</b>	Mildura, Swan Hill, Gannawarra
<b>Wimmera</b>	Yarriambiack, Hindmarsh, West Wimmera, Horsham, Northern Grampians, Buloke
<b>South West</b>	Glenelg, Southern Grampians, Moyne, Warrnambool, Corangamite
<b>Barwon</b>	Colac Otway, Surf Coast, Queenscliffe, Greater Geelong, Golden Plains
<b>Central Highlands</b>	Ararat / Pyrenees, Central Goldfields, Ballarat, Hepburn, Moorabool
<b>Gippsland</b>	East Gippsland, Wellington, Baw Baw, Latrobe, South Gippsland, Bass Coast
<b>Ovens Murray</b>	Murrindindi, Mansfield, Benalla, Alpine, Wangaratta, Indigo, Towong, Wodonga
<b>Bendigo</b>	Greater Bendigo, Mount Alexander, Macedon Ranges, Loddon
<b>Goulburn Murray</b>	Campaspe, Greater Shepparton, Strathbogie, Mitchell, Moira
<b>Metropolitan</b>	Banyule, Bayside, Boroondara, Brimbank, Cardinia, Casey, Darebin, Frankston, Glen Eira, Greater Dandenong, Hobsons Bay, Hume, Kingston, Knox, Manningham, Maribyrnong, Maroondah, Melbourne, Melton, Monash, Moonee Valley, Moreland, Nillumbik, Port Phillip, Stonnington, Whitehorse, Whittlesea, Wyndham, Yarra, Yarra Ranges, Mornington Peninsula, French Island

Committee members to 31 May and from 1 June 2020 are shown below.

### Loddon Goulburn

Tom Maher  
Jacinta McIvor  
Michael Blake  
Matt Bowles  
Bradley Hinton  
Andrew Murphy  
Nekti Tzouroutis

### To 31 May

Chair

### From 1 June

Chair

### Bendigo

Tom Maher  
Jacinta McIvor  
Matt Bowles  
Bradley Hinton  
Andrew Murphy  
Nekti Tzouroutis

### Mornington Peninsula

Andrew Meehan Chair  
Geoff Crowder Vice Chair

*The former Mornington Peninsula Division became part of the Metropolitan Division from 1 June 2020*

### Divisions without committees

Mallee	Wimmera	South West	Barwon
Central Highlands	Ovens Murray	Goulburn Murray	Gippsland

Metropolitan – Supported direct by the REIV and not served by a Division Committee.

## APPOINTMENTS AND HEARINGS

For the financial year 2019/20

### Presidential Appointments

#### Rental Determinations

The nomination of REIV Member qualified practising valuers to conduct market rent reviews of commercial and industrial premises and recommendations of REIV Member specialist retail valuers to the Victorian Small Business Commissioner to conduct market rent reviews of retail premises in accordance with the Retail Leases Act 2003.

<b>Applications</b>	35
<b>Nominations</b>	28
<b>Withdrawn</b>	2
<b>On Hold</b>	5

#### Miscellaneous Appointments

The nomination of REIV Member real estate agents and/or qualified practising valuers in accordance with Court Orders, Terms of Settlement or other agreements in relation to Family Law matters, the administration of Deceased Estates, Insurance Claims and other residential and commercial disputes.

<b>Applications</b>	58
<b>Nominations</b>	45
<b>Withdrawn</b>	13

### Complaints and Disputes

#### Member to Member

In accordance with the REIV Constitution, By-Laws and Rules of Practice.

<b>Mediations</b>	0
<b>Panel Hearings</b>	0

#### Public Complaints

The REIV does not manage complaints from consumers about Members. All such complaints are referred to Consumer Affairs Victoria.



# The Real Estate Institute of Victoria Ltd and controlled entities

ABN: 81 004 210 897

## **Consolidated Financial report**

For the year ended 30 June 2020

***Pitcher Partners***

Level 13, 664 Collins Street, Docklands VIC 3008

***p:*** +61 3 8610 5000

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**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereinafter as the consolidated entity) consisting of The Real Estate Institute of Victoria (referred to hereinafter as the company or parent entity) and the entities it controlled, Property Data Online Pty Ltd and Touch Base Telematics Pty Ltd during or at the end of the year ended 30 June 2020.

**Directors names**

The names of the directors of the company during the financial year and up to the date of this report, unless otherwise stated were:

Leah Calnan

Adam Docking

Sophie Lyon

Robyn Waters

Richard Simpson

Michael Blake

Noel Dyett

Cameron Way

Lee Maher (Resigned 11 September 2020)

Frank Hellier (Expiry of Term 30 September 2020)

Michael Clements

Andrew Meehan (Appointed 14 September 2020)\*

Jacob Caine (Appointed 1 October 2020)

\* Andrew Meehan was appointed 14 September to fill a casual vacancy and then commenced his term as an elected Director from 1 October 2020.

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

**Results**

The profit from continuing operations of the group for the year after providing for income tax amounted to \$152,173 (2019: loss of \$494,652). Total comprehensive income for the year amounted to \$1,305,294 (2019: loss of \$494,652).

# **THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

## **DIRECTORS' REPORT**

### **Significant changes in state of affairs**

The World Health Organisation declared a pandemic in relation to COVID-19 on 11 March 2020. The Company continues to operate under the current level of restrictions imposed by the Federal and State governments. This pandemic may have an impact on the financial position and may effect the financial performance of the Company in the future.

The Company held 27.46% shares in Realestateview.com.au Ltd "REV" at 8 March 2019. The Company's shareholding in REV was reduced to 26.83% at May 2019 following the issue of 287,500 shares and the Company's decision not to purchase shares in a pre-emptive rights issues. The Company's shareholding reduced further to 17.94% as a result of a capital raising exercise by REV in September 2019 in which the Company decided not to participate.

### **Objectives**

The REIV Mission, Strategy Statement and Strategic Goals for 2019/20 were reviewed by the Board at their Strategy sessions in March 2019 and 2020 and no changes were made to either the Mission or Strategy Statement.

### **Mission**

To enhance the professional excellence of our members to the benefit of the communities they work within, and to advocate and represent their interests.

### **Strategy Statement**

By 2021, we will be the respected voice of all Victorian real estate professionals offering quality representation, advocacy, education, networking opportunities and maintaining professional standards.

### **Strategic Goals**

The Strategic Goals were adjusted through the merger of the two previous goals relating to professional standards and career pathways. The Strategic Goals for the 2019/20 financial year were:

- Mobilise the consumer to use an REIV Member
- Maximise the impact of our advocacy and representation work
- Elevate professional standards and support the careers of real estate practitioners

**DIRECTORS' REPORT**

**Objectives (Continued)**

Financial performance was reviewed by both the Board Management and Finance Committee and the Board at each meeting. The Corporate Risk Register was reviewed quarterly, with any specific risks and/or risk mitigating actions being advised to the Board and addressed promptly. The Board Management and Finance Committee met with the Auditor three times during the financial year and each occasion included discussions without the presence of Management.

Performance against the strategic goals, associated Critical Performance Indicators and the enabling strategies were reporting to each Board meeting.

Performance achievements in the financial year included:

- Successful advocacy and representation on a wide range of policy matters;
- Successful advocacy and representation to deliver clarifications and workable solutions for the real estate sector in response to government directions pursuant to the management of the COVID-19 pandemic;
- A considerably heightened media profile, with higher levels of audience reach, advertising equivalent spend and media responses;
- Increased social media engagement and followers;
- Successful implementation of online training;
- Provision of a wide range of events, with the conversion from face-to-face to on-line delivery attracting higher levels of participation;
- Expansion of membership eligibility to Valuers and Owners Corporation Managers;

Operational efficiencies continue to be delivered through active cost control, supplier management and risk management and continuous improvement of processes and policies. Strategic investment in IT systems has supported operational efficiency and effectiveness, enabled the delivery of on-line training and delivered robust disaster recovery and business continuity plans.

**Principal activities**

The principal continuing activities of the consolidated entity during the financial year were:

- The development of the Institute to support and promote the mutual interests of its Members;
- Advocacy and representation on behalf of the real estate sector in Victoria to Government and other stakeholders;
- The delivery of real estate and related education and training;
- The provision of events to support the continuing professional development of Members;
- The delivery of information to Members on real estate and related matters;
- The continued development of PropertyData Online Pty Ltd in line with its Business Plan.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

**After balance date events**

No matters have arisen since 30 June 2020 that has significantly affected or may significantly affect the consolidated entity's operations, the result of those operations or the consolidated entity's state of affairs in future financial years.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

**Information on directors**

<b>Leah Calnan</b>	President
Qualifications	CEA (REIV)
Experience	A licensed real estate agent and proprietor and director of Metro Property Management Pty Ltd. A property management and owners corporation management specialist, an REIV accredited trainer and author of "Simple and Successful Property Management". First elected to the Board from the Metropolitan Zone from 1 October 2014 and re-elected for a second term from 1 October 2017. REIV Vice President from 23 October 2017 to 8 October 2018 and REIV Senior Vice President from 8 October 2018 to 14 October 2019. Members' Council and Board Management and Finance Committee Chair from 8 October 2018 to 14 October 2019.
Special responsibilities	Elected by the Board as President from 14 October 2019 and re-elected for a second term from 5 October 2020. Board Management and Finance Committee, from 8 October 2018.
<b>Adam Docking</b>	Director
Qualifications	FREI, CEA (REIV)
Experience	A licensed real estate agent and auctioneer and Director of MJ Docking and Associates Pty Ltd, a family firm operating in the residential, commercial and property management sectors. Elected to the Board from 1 October 2017 from the Metropolitan Zone. REIV Vice President from 8 October 2018 to 14 October 2019.
Special responsibilities	Elected by the Board as REIV Senior Vice President from 14 October 2019 and re-elected for a second term from 5 October 2020. Chair of the Board Management and Finance Committee from 14 October 2019. Chair of Members' Council from 14 October 2019.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>Sophie Lyon</b>	Director
Qualifications	CEA (REIV)
Experience	<p>A licensed real estate agent and Director and General Manager Property Management of Jellis Craig Boroondara. A specialist in property management, an REIV accredited trainer and a regular speaker at industry events in Australia, New Zealand and the USA.</p> <p>Elected to the Board from the Metropolitan Zone from 1 October 2016 and re-elected for a further term from 1 October 2019. Previously served as a Director from 2008 to 2014.</p> <p>REIV Vice President from 14 October 2019 to 5 October 2020</p> <p>Chair of the REIV Charitable Foundation Board.</p>
Special responsibilities	Chair of the Membership Committee.
<b>Robyn Waters OAM</b>	Director
Qualifications	CEA (REIV), FREI, FRICS
Experience	<p>A licensed real estate agent operating as a sole trader, with extensive experience across all aspects of real estate practice. An active member of FIABCI and FIABCI World President in 2014. REIA Trustee to the International Ethics Standards Coalition. Ministerial appointment to the Estate Agents Council from 2015 to 2018. REIV representative to the REIA Board from December 2017 to December 2018.</p> <p>Elected to the Board from the Metropolitan Zone from 1 October 2016, re-elected to the Board from 1 October 2019 and served as a Director previously from 2001 to 2006. REIV President from 8 October 2018 to 14 October 2019 and Senior Vice President from 23 October 2017 to 8 October 2018.</p> <p>REIV Charitable Foundation Board Director.</p>
Special responsibilities	Member of the Board Management and Finance Committee from 8 October 2018.



**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>Richard Simpson</b>	Director
Qualifications	CEA (REIV)
Experience	A licensed real estate agent and managing partner of W B Simpson & Son, a long-standing family owned business that sells and leases residential and commercial property. Previously a Chartered Accountant with KPMG with a focus on the banking, financial and property development sectors. Elected to the Board from the Metropolitan Zone from 1 October 2015 and re-elected in 2018. REIV President from 23 October 2017 to 8 October 2018. Chair of the Finance, Risk and Audit Committee and Chair of the Board Management Committee to 8 October 2018. Past REIV Charitable Foundation Board Director.
Special responsibilities	Elected by the Board as REIV Vice President from 5 October 2020. Member of the Board Management and Finance Committee from 8 October 2018. REIV representative to the REIA Board for three years from December 2018. PropertyData Online Pty Ltd Director
<b>Michael Blake</b>	Director
Qualifications	CEA (REIV)
Experience	A licensed real estate agent and auctioneer and a Sales Consultant with Youngs and Co Pty Ltd Shepparton. Elected to the Board from the Regional Zone from 1 October 2012 and re-elected for a third term from October 2018. Previously served as a Director from 2009 to 2011.
Special responsibilities	Member of the Membership Committee.
<b>Noel Dyett</b>	Director
Qualifications	FREI, CEA (REIV), CPA
Experience	A licensed real estate agent, auctioneer, sales consultant with Tweed Sutherland First National, Bendigo until 30 June 2019 and operating as a sole trader from the same date. A qualified valuer and certified accountant, both non-practising. Elected to the Board from the Regional Zone from 1 October 2016 and re-elected from 1 October 2019. Previously served as a Director from 1999 to 2007 and as President in 2004 to 2005. Previously served as Victorian REIA Director from 2006-2009 and as REIA President 2008-2009. An REIV nominated Director of realestateview.com.au Ltd from 2016 to 2018. Previously a member of the Finance Risk and Audit Committee.
Special responsibilities	Member of the Membership Committee.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>Cameron Way</b>	Director
Qualifications	AREI, CEA (REIV)
Experience	A licensed real estate agent and REIV accredited auctioneer and Managing Director of Woodards Blackburn. Elected to the Board from the Metropolitan Zone from 1 October 2015 and re-elected from 1 October 2018. Previously a Member of the Board Management Committee and Chair of the Membership Committee to October 2018.
Special responsibilities	Member of the Estate Agency Practice Committee and member of the Membership Committee.
<b>Lee Maher</b>	Director - Resigned 11 September 2020
Qualifications	CEA (REIV)
Experience	A licensed real estate agent and Managing Director of Urban Property Melbourne Pty Ltd providing residential sales, property management services, owners corporation management, buyer advocacy and commercial tenant advocacy. Elected to the Board from the Metropolitan Zone from 1 October 2017 and resigned on 11 September 2020. Member of the PropertyData.com.au Management Committee to 8 October 2018.
Special responsibilities	Member of the Board Management and Finance Committee from 8 October 2018. Member of the Estate Agency Practice Committee.
<b>Frank Hellier</b>	Director - Expiry of Term 30 September 2020
Qualifications	CEA (REIV), FREI
Experience	A licensed real estate agent and auctioneer and a Senior Executive with Barry Plant Mordialloc, prior to which he operated and controlled four independent real estate offices in the Bayside area. A former member of the Estate Agents Council. REIV Charitable Foundation Board Director until March 2019. Elected to the Board from the Metropolitan Zone from 1 October 2017 and completed his term of office on 30 September 2020. Previously served as a Director from 1998 to 2009 and 2013 to 2016 and was President from 2002 to 2003. Member of the Propertydata.com.au Management Committee to 8 October 2018.
Special responsibilities	Member of the Membership Committee.
<b>Michael Clements</b>	Director
Qualifications	B.Comm, LLB
Experience	A Director of Harris Carlson Lawyers, practising across a broad range of legal disciplines, including a longstanding reputation in residential and commercial property transactions. First appointed as an Additional Director by the REIV Board from 22 April 2019 and re-appointed for a further term of 12 months from 22 April 2020.
Special responsibilities	Chair of the Disciplinary Committee from 1 June 2020.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**

**ABN: 81 004 210 897**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

**Andrew Meehan**

Director - Appointed 14 September 2020

Qualifications

MBA, BAsC, CEA (REIV)

Experience

A licensed real estate agent, qualified land surveyor and holding an MBA with extensive senior management experience in a wide range of industries and experience as a Director on the Board of both a publicly listed company in Australia and in New Zealand.

Currently CEO and Director of Nicholas Lynch Real Estate Group, which he co-founded in 2008, Chair of Listing Loop Group and a member of FIABCI. Appointed by the Board from 14 September 2020 to fill a casual vacancy prior to commencing his first term on 1 October 2020 as an elected Director from the Metropolitan Zone.

Special responsibilities

**Jacob Caine**

Director - Appointed 1 October 2020

Qualifications

MBA, BMus (Hons), CEA (REIV)

Experience

A licensed real estate agent, holding an honours degree in music, an MBA and studying for a Master of International Relations with Harvard University. Appointed as CEO of Caine Real Estate from 2012 having gained hands on experience of all roles in the family agency over the previous 6 years. Appointed by the REIV Board as a Nominated Director on the Board of Realestateview.com.au Ltd from 2017 to 2020 . Global ambassador for the Harvard Extension School.

Elected to the Board from the Metropolitan Zone from 1 October 2020.

Special responsibilities

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES****ABN: 81 004 210 897****DIRECTORS' REPORT****Meetings of directors**

The REIV Board of Directors met a total of 13 times during the financial year, of which three were held electronically in the period May to June 2020 in light of COVID-19 pandemic restrictions.

The Board Management and Finance Committee met a total of 10 times during the financial year, of which four were held electronically in the period April to June 2020 in light of COVID-19 pandemic restrictions.

The number of meetings attended by each Director and those they were eligible to attend, are set out below.

Directors	Directors' meetings		Board Management & Finance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Leah Calnan	13	13	10	9
Adam Docking	13	13	10	10
Sophie Lyon	13	12	-	-
Robyn Waters	13	13	10	8
Richard Simpson	13	13	10	10
Michael Blake	13	12	-	-
Noel Dyett	13	12	-	-
Cameron Way	13	12	-	-
Lee Maher	13	13	10	9
Frank Hellier	13	12	-	-
Michael Clements	13	13	-	-

**Members guarantee**

Every Member of the company is required to contribute to the assets of the company in the event of it being wound up while the Member is a member or within one year of ceasing to be a Member. The amount shall not exceed \$2 per Member. At 30 June 2020, the maximum amount for which serving Members were liable was \$13,646 based on 6,823 Members at 30 June 2020 (2019: \$15,190 based on 7,595 Members).

**DIRECTORS' REPORT**

**Indemnity and insurance of officers**

The company's indemnity and insurance commitments are set out in a Deed of Indemnity and Access issued to all directors on confirmation of their appointment.

The company has indemnified the officers of the company for costs and expenses incurred in defending any proceedings, in respect of any act or omission of the office as an officer of the company or related company and liabilities incurred, except where the liability arises out of a willful breach of duty or a contravention of sections 182 or 183 of the Corporations Act or as excluded by other provisions in the Corporations Act.

The company maintains an Association Liability Insurance policy that includes directors and officers insurance to the extent permitted by the Corporations Act.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of directors pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Signed on behalf of the board of directors.

Director:  Leah Calnan  
2020.10.09 12:01:46 +11'00'

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Leah Calnan

Dated this 9th day of October 2020

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF REIV**

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of The Real Estate Institute of Victoria and the entities it controlled during the year.



D A KNOWLES

Partner



PITCHER PARTNERS

Melbourne

Date: 12 October 2020

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Revenue, gains and other income</b>			
Revenue from contracts with customers	3	8,201,245	9,201,876
Other revenue	4	1,366,047	1,140,339
Other income	4	<u>-</u>	<u>166,118</u>
		<u>9,567,292</u>	<u>10,508,333</u>
<b>Less: expenses</b>			
Cost of sales	5	(1,979,023)	(2,201,739)
Depreciation and amortisation expense	5	(1,291,485)	(1,279,075)
Employee benefits expense	5	(4,387,349)	(4,955,625)
Occupancy expense		(265,610)	(295,087)
Repairs and maintenance expense		(45,576)	(68,400)
Advertising expense		(331,763)	(228,235)
Impairment losses	5	-	(220,557)
Events		(363,793)	(354,615)
Other expenses		<u>(734,481)</u>	<u>(1,053,176)</u>
		<u>(9,399,080)</u>	<u>(10,656,509)</u>
Share of net losses of associates and joint ventures accounted for using the equity method	5	<u>-</u>	<u>(305,677)</u>
<b>Profit / (loss) before income tax expense</b>		168,212	(453,853)
Income tax expense	6	<u>(16,039)</u>	<u>(40,799)</u>
<b>Net profit / (loss) after tax from continuing operations</b>		<u>152,173</u>	<u>(494,652)</u>
<b>Profit / (loss) for the year</b>		<u>152,173</u>	<u>(494,652)</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Revaluation of property, plant and equipment, net of tax		925,660	-
Change in tax rate		<u>227,461</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>1,153,121</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><u>1,305,294</u></u>	<u><u>(494,652)</u></u>
<b>Total comprehensive income is attributable to:</b>			
- Members of The Real Estate Institute of Victoria		<u><u>1,305,294</u></u>	<u><u>(494,652)</u></u>

The accompanying notes form part of these financial statements.



THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES

ABN: 81 004 210 897

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	7	3,153,997	2,658,509
Receivables	8	539,333	301,539
Inventories	9	58,193	43,124
Investments accounted for using equity method	11	-	1,384,092
Other assets	12	<u>289,968</u>	<u>464,298</u>
<b>Total current assets</b>		<u>4,041,491</u>	<u>4,851,562</u>
<b>Non-current assets</b>			
Other financial assets	10	1,460,993	76,901
Intangible assets	13	1,842,744	2,093,327
Property, plant and equipment	14	<u>18,637,049</u>	<u>17,408,811</u>
<b>Total non-current assets</b>		<u>21,940,786</u>	<u>19,579,039</u>
<b>Total assets</b>		<u>25,982,277</u>	<u>24,430,601</u>
<b>Current liabilities</b>			
Payables	15	934,894	991,203
Provisions	16	343,106	335,151
Other liabilities	17	<u>1,918,977</u>	<u>1,763,930</u>
<b>Total current liabilities</b>		<u>3,196,977</u>	<u>3,090,284</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	6	<u>2,765,096</u>	<u>2,625,407</u>
<b>Total non-current liabilities</b>		<u>2,765,096</u>	<u>2,625,407</u>
<b>Total liabilities</b>		<u>5,962,073</u>	<u>5,715,691</u>
<b>Net assets</b>		<u>20,020,204</u>	<u>18,714,910</u>
<b>Equity</b>			
Reserves	18	11,221,402	10,068,281
Retained earnings		<u>8,798,802</u>	<u>8,646,629</u>
<b>Total equity</b>		<u>20,020,204</u>	<u>18,714,910</u>

The accompanying notes form part of these financial statements.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Reserves \$	Retained earnings \$	Total equity \$
<b>Consolidated</b>			
<b>Balance as at 1 July 2018</b>	10,068,281	9,141,281	19,209,562
Loss for the year	<u>-</u>	<u>(494,652)</u>	<u>(494,652)</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(494,652)</u>	<u>(494,652)</u>
<b>Balance as at 30 June 2019</b>	<u><u>10,068,281</u></u>	<u><u>8,646,629</u></u>	<u><u>18,714,910</u></u>
<b>Balance as at 1 July 2019</b>	10,068,281	8,646,629	18,714,910
Profit for the year	-	152,173	152,173
Revaluation of property, plant and equipment, net of tax	925,660	-	925,660
Change in tax rate	<u>227,461</u>	<u>-</u>	<u>227,461</u>
<b>Total comprehensive income for the year</b>	<u><u>1,153,121</u></u>	<u><u>152,173</u></u>	<u><u>1,305,294</u></u>
<b>Balance as at 30 June 2020</b>	<u><u>11,221,402</u></u>	<u><u>8,798,802</u></u>	<u><u>20,020,204</u></u>

The accompanying notes form part of these financial statements.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		10,429,928	10,085,893
Other receipts		-	26,614
Payments to suppliers and employees		(8,962,438)	(9,386,538)
Interest received		<u>20,366</u>	<u>31,580</u>
<b>Net cash provided by operating activities</b>	23(b)	<u>1,487,856</u>	<u>757,549</u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of investments		-	916,706
Payment for property, plant and equipment		(105,980)	(135,436)
Payments for intangible assets		<u>(886,388)</u>	<u>(1,086,739)</u>
<b>Net cash used in investing activities</b>		<u>(992,368)</u>	<u>(305,469)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		2,658,509	2,206,429
Net increase in cash held		<u>495,488</u>	<u>452,080</u>
<b>Cash at end of financial year</b>	23(a)	<u>3,153,997</u>	<u>2,658,509</u>

The accompanying notes form part of these financial statements.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers The Real Estate Institute of Victoria and its controlled entities. The Real Estate Institute of Victoria is a company limited by guarantee, incorporated and domiciled in Australia. The Real Estate Institute of Victoria is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

The World Health Organisation declared a pandemic in relation to COVID-19 on 11 March 2020. The Company continues to operate under the current level of restrictions imposed by the Federal and State governments. This pandemic may have an impact on the financial position and may effect the financial performance of the Company in the future.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position respectively.

Where a consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of an investment retained together with any gain or loss in profit or loss.

**(c) Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**(d) Revenue from contracts with customers**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

*Membership fees and Subscriptions:*

The subscription year is based on the financial year, commencing 1 July. Subscriptions are payable annually in advance. Only those membership fees and subscription receipts, which are attributable to the current

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

financial year, are recognised as revenue. Fees and subscription receipts relating to a period beyond the current financial year are shown in the Consolidated Statement of Financial Position as deferred income under the heading Other Current Liabilities.

*Other Revenue:*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate for are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is measured net of the amount of goods and services tax (GST).

**(e) Income tax**

The company income tax is calculated by applying the "principle of mutuality" to the revenues and expenses of the company. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. Accordingly, income from members is deemed to be mutual income and not subject to income tax, and expenses in connection with mutual income are not deductible for tax purposes. All other income and expenses are classified for taxation purposes in accordance with taxation legislation.

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

*Tax Consolidation*

The parent entity and its subsidiary have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2011. This means that:

- each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Income tax (Continued)**

- the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group, arising under the joint and several liability provisions of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

**(f) Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value.

**(g) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial assets*

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

*Trade and other receivables*

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Financial instruments (Continued)**

*Impairment of financial assets*

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Financial instruments (Continued)**

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment**

Each class of property, plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Property*

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Buildings at valuation	4%	Straight line
Plant and equipment at cost	12-25%	Straight line
Motor vehicles at cost	25%	Straight line
Furniture, fixtures and fittings at cost	10-20%	Straight line
Computer equipment at cost	15-35%	Straight line

**(i) Intangible assets**

*Separately acquired intangible assets*

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Intangible assets (Continued)**

*IT software development costs*

Costs incurred in developing IT software are initially recognised as an asset, and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

**(j) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Business combinations**

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition date fair value.

Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred.

**(l) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(m) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Non-current assets and disposal groups held for sale**

A discontinued operation is a component of the consolidated entity that has been disposed of, control has been lost, or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are disclosed separately in the consolidated financial statements.

An impairment loss is recognised when the carrying amount of a non-current asset or disposal group held for sale exceeds its fair value less costs to sell and is recognised immediately in profit or loss. Any impairment loss on a disposal group is allocated first to any goodwill attributable to the disposal group, and then to the remaining assets and liabilities on a pro rata basis, except for inventories, deferred tax assets and assets otherwise measured at fair value on a recurring basis. Gains are recognised in respect of any subsequent increases in fair value less costs to sell of non-current assets or disposal groups held for sale, but only to the extent of any cumulative impairment losses previously recognised.

**(o) Investments in associates**

An associate is an entity over which the group is able to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The group's interests in associates are accounted for using the equity method after initially being recognised at cost. Under the equity method, the group's share of the profits or losses of the associate is recognised in the group's profit or loss and the group's share of other comprehensive income items is recognised in the group's other comprehensive income. Details relating to associates are set out in Note 22.

Unrealised gains and losses on transactions between the group and an associate are eliminated to the extent of the group's interest in the associate.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

*(a) Impairment of non-financial assets other than goodwill*

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined.

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a minimum period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 2.5% (2019: 2.5%) for cash flows in year two to five and which is based on the historical average, and a terminal value growth rate of 2.5% (2019: 2.5%), a discount rate within the range of 12% - 18% (2019: 12% - 18%) to determine value-in-use.

*(b) Income tax*

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from contracts with customers		
Sales - products	482,916	741,712
Sales - training registrations	1,578,713	1,735,530
Sales - online products	647,227	640,749
Subscription income	<u>5,492,389</u>	<u>6,083,885</u>
	<u><b>8,201,245</b></u>	<u><b>9,201,876</b></u>
<b>NOTE 4: OTHER REVENUE AND OTHER INCOME</b>		
Other revenue		
Interest income	20,366	31,580
Grants	555,068	756,951
Other revenue	<u>790,613</u>	<u>351,808</u>
	<u><b>1,366,047</b></u>	<u><b>1,140,339</b></u>
Other Income		
Gain on sale of investments	<u>-</u>	<u>166,118</u>
	<u><b>1,366,047</b></u>	<u><b>1,306,457</b></u>
<b>NOTE 5: OPERATING PROFIT</b>		
Profit / (loss) before income tax has been determined after:		
Cost of sales	1,979,023	2,201,739
Depreciation and amortisation	1,291,485	1,279,075
Bad debts		
- bad and doubtful debts	19,528	81,026
Impairment	-	220,557
Employee benefits	4,387,349	4,955,625
Share of associates loss		
- Share of associated company loss	-	(305,677)

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>NOTE 6: INCOME TAX</b>		
<b>(a) Components of tax expense</b>		
Deferred tax	(51,897)	40,799
Change in tax rate	<u>67,936</u>	<u>-</u>
	<u><u>16,039</u></u>	<u><u>40,799</u></u>
<b>(b) Income tax reconciliation</b>		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit / (loss) before income tax at 27.5% (2019: 27.5%)	46,258	(124,810)
Add tax effect of:		
Share of net losses of associates	-	84,061
Non-deductible expenses	418	62,177
Net adjustment for mutual expenses	<u>-</u>	<u>33,087</u>
	418	179,325
Less tax effect of:		
Other non-assessable items	27,500	-
Temporary differences not previously recognised	21,189	13,716
Net adjustment for mutual expenses	49,884	-
Change in tax rate	<u>(67,936)</u>	<u>-</u>
	<u><u>30,637</u></u>	<u><u>13,716</u></u>
Income tax (benefit) / expense attributable to profit	<u><u>16,039</u></u>	<u><u>40,799</u></u>
<b>(c) Deferred tax</b>		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Tax losses carried forward	1,158,036	1,163,974
Temporary differences	<u>19,523</u>	<u>29,622</u>
	<u><u>1,177,559</u></u>	<u><u>1,193,596</u></u>
<i>Deferred tax liabilities</i>		
The balance comprises:		
Land and buildings at fair value	<u>3,942,655</u>	<u>3,819,003</u>
Net deferred tax liabilities	<u><u>2,765,096</u></u>	<u><u>2,625,407</u></u>



**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>NOTE 6: INCOME TAX (CONTINUED)</b>		
<b>(d) Deferred income tax (revenue)/expense included in income tax expense comprises</b>		
(Increase) / decrease in deferred taxes	(51,897)	40,799
Decrease in deferred taxes (tax rate change)	<u>67,935</u>	<u>-</u>
	<u>16,038</u>	<u>40,799</u>
<b>(e) Deferred income tax related to items charged or credited directly to equity</b>		
Increase in deferred tax liabilities (property revaluation)	351,112	-
Decrease in deferred tax liabilities (tax rate change)	<u>(227,461)</u>	<u>-</u>
	<u>123,651</u>	<u>-</u>
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	500	500
Cash at bank	2,453,497	1,208,009
Cash on deposit	<u>700,000</u>	<u>1,450,000</u>
	<u>3,153,997</u>	<u>2,658,509</u>
<b>NOTE 8: RECEIVABLES</b>		
<b>CURRENT</b>		
Receivables from contracts with customers	299,496	274,379
Allowance for credit losses	<u>(79,000)</u>	<u>(96,575)</u>
	220,496	177,804
Other receivables	<u>318,837</u>	<u>123,735</u>
	<u>539,333</u>	<u>301,539</u>

*Receivables from contracts with customers*

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES

ABN: 81 004 210 897

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 8: RECEIVABLES (CONTINUED)**

*Reconciliation of loss allowance*

The following table provides a reconciliation from the opening balance to the closing balance of the loss allowance for receivables from contracts with customers:

	Total \$
Loss allowance at 1 July 2018	16,136
Increase in provision	<u>80,439</u>
Loss allowance at 30 June 2019	<u>96,575</u>
Loss allowance at 1 July 2019	96,575
Decrease in provision	<u>(17,575)</u>
Loss allowance at 30 June 2020	<u>79,000</u>

The following table provides information about the risk profile of receivables from contracts with customers using a provision matrix. The information in the below table does not distinguish between customer or product types as the group's historical credit loss experience does not show different patterns for different customer or product types.

	12-month expected credit losses					
	Days aged					
	Current	30	60	90	120+	Total
	\$	\$	\$	\$	\$	\$
2020						
Estimated total gross carrying amount at default				24,179	57,228	81,407
Expected credit loss rate				90.00 %	100.00 %	
Expected credit loss				<u>21,772</u>	<u>57,228</u>	<u>79,000</u>
2019						
Estimated total gross carrying amount at default	1,696	2,537	1,833	164,354	29,061	199,481
Expected credit loss rate	85.00 %	85.00 %	85.00 %	41.00 %	85.00 %	
Expected credit loss	<u>1,442</u>	<u>2,156</u>	<u>1,558</u>	<u>66,717</u>	<u>24,702</u>	<u>96,575</u>

THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES

ABN: 81 004 210 897

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
	2020	2019
	\$	\$
<b>NOTE 9: INVENTORIES</b>		
CURRENT		
<i>At cost</i>		
Finished goods	<u>58,193</u>	<u>43,124</u>

**NOTE 10: OTHER FINANCIAL ASSETS**

NON CURRENT

*Financial assets at fair value through other comprehensive income*

*Other financial assets at fair value*

Realestateview.com.au	1,384,092	-
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*Financial assets measured at cost*

Other investment	(a) <u>76,901</u>	<u>76,901</u>
	<u>1,460,993</u>	<u>76,901</u>

(a) The fair value of other investments cannot be reliably measured as they do not have a quoted market price in an active market. As a result, all unlisted investments are reflected at cost.

**NOTE 11: INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

CURRENT

Equity accounted investments in associates	<u>-</u>	<u>1,384,092</u>
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From 6 December 2019, the REIV's shareholding in REV reduced to 17.94% following REV capital raising. At balance date the Company holds a 17.94% (2019: 27.46%) interest in Realestateview.com.au Ltd. The REIV lost significant influence of REV during the year and therefore the investment is no longer accounted for using the equity method. Instead, the investment is being held at fair value.

**Reconciliation**

Opening balance	1,384,092	2,520,357
Share of net losses of associates accounted for using the equity method	-	(305,677)
Disposal of shares	-	(830,588)
Transfer to investment held at fair value	<u>(1,384,092)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>1,384,092</u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>NOTE 12: OTHER ASSETS</b>		
CURRENT		
Prepayments	289,968	462,627
Accrued income	<u>-</u>	<u>1,671</u>
	<u>289,968</u>	<u>464,298</u>

**NOTE 13: INTANGIBLE ASSETS**

Software at cost	4,978,776	4,530,715
Accumulated amortisation and impairment	<u>(4,398,338)</u>	<u>(3,989,826)</u>
	580,438	540,889
PDOL data development	9,461,421	9,019,061
Accumulated amortisation and impairment	<u>(8,199,115)</u>	<u>(7,466,623)</u>
	<u>1,262,306</u>	<u>1,552,438</u>
Total intangible assets	<u>1,842,744</u>	<u>2,093,327</u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

<i>Software at cost</i>		
Opening balance	540,889	577,835
Additions	444,028	396,749
Amortisation expense	<u>(404,479)</u>	<u>(433,695)</u>
Closing balance	<u>580,438</u>	<u>540,889</u>
<i>PDOL data development</i>		
Opening balance	1,552,438	1,692,684
Additions	442,360	689,990
Impairment losses	-	(140,557)
Amortisation	<u>(732,492)</u>	<u>(689,679)</u>
Closing balance	<u>1,262,306</u>	<u>1,552,438</u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13: INTANGIBLE ASSETS (CONTINUED)</b>		
<b>(a) Reconciliations (Continued)</b>		
<i>Total Intangible assets reconciliation</i>		
Opening balance	2,093,327	2,270,519
Additions	886,388	1,086,739
Impairment losses	-	(140,557)
Amortisation	<u>(1,136,971)</u>	<u>(1,123,374)</u>
Closing balance	<u><u>1,842,744</u></u>	<u><u>2,093,327</u></u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 14: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
Freehold land		
At valuation	<u>17,226,772</u>	<u>15,950,000</u>
<b>Buildings</b>		
At valuation	2,011,034	1,974,378
Accumulated depreciation	<u>(737,806)</u>	<u>(653,621)</u>
	<u>1,273,228</u>	<u>1,320,757</u>
Total land and buildings	<u>18,500,000</u>	<u>17,270,757</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	70,545	61,581
Accumulated depreciation	<u>(8,850)</u>	<u>(31,139)</u>
	61,695	30,442
Motor vehicles at cost	58,721	57,625
Accumulated depreciation	<u>(17,978)</u>	<u>(10,638)</u>
	40,743	46,987
Furniture, fixtures and fittings at cost	1,076,457	1,625,804
Accumulated depreciation	<u>(1,054,596)</u>	<u>(1,584,531)</u>
	21,861	41,273
Computer equipment at cost	360,882	459,403
Accumulated depreciation	<u>(348,132)</u>	<u>(440,051)</u>
	<u>12,750</u>	<u>19,352</u>
Total plant and equipment	<u>137,049</u>	<u>138,054</u>
Total property, plant and equipment	<u>18,637,049</u>	<u>17,408,811</u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**(a) Valuations**

The fair values of freehold land, and buildings on freehold land have been determined by reference to director valuations, based upon the independent valuation obtained for 30 June 2020 by valuer WBP Group Pty Ltd. The independent valuation was performed on a basis of highest and best use (as a development site) of \$23,500,000. The Directors determined that at this time the intention was not to dispose of or develop the property. The valuer had also provided a comparative analysis based on the Capitalisation of Income method which recognises the investment nature of the property. The value attributed under this comparison was \$18,500,000. The Board have determined to value the Land & Buildings based on the existing use of the building and adopted the value of \$18,500,000. The valuation uplift has been fully attributed to the land component.

Due to COVID-19 the valuation was reported on the basis of significant valuations uncertainty and the valuation may change significantly and unexpectedly over a relatively short period of time.

Refer to Note 1 (h) for additional information on the fair value of property, plant and equipment

**(b) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

*Freehold land*

Opening carrying amount	15,950,000	15,950,000
Net revaluation increments	<u>1,276,772</u>	<u>-</u>
Closing carrying amount	<u><u>17,226,772</u></u>	<u><u>15,950,000</u></u>

*Buildings*

Opening carrying amount	1,320,757	1,381,974
Additions	63,086	51,277
Depreciation expense	<u>(110,615)</u>	<u>(112,494)</u>
Closing carrying amount	<u><u>1,273,228</u></u>	<u><u>1,320,757</u></u>

*Plant and equipment*

Opening carrying amount	30,442	-
Additions	39,384	31,162
Depreciation expense	<u>(8,131)</u>	<u>(720)</u>
Closing carrying amount	<u><u>61,695</u></u>	<u><u>30,442</u></u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>(b) Reconciliations (Continued)</b>		
<i>Motor vehicles</i>		
Opening carrying amount	46,987	26,168
Additions	1,096	25,000
Depreciation expense	<u>(7,340)</u>	<u>(4,181)</u>
Closing carrying amount	<u>40,743</u>	<u>46,987</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	41,273	51,449
Additions	-	13,218
Depreciation expense	<u>(19,412)</u>	<u>(23,394)</u>
Closing carrying amount	<u>21,861</u>	<u>41,273</u>
<i>Computer equipment</i>		
Opening carrying amount	19,352	19,485
Additions	2,414	14,779
Depreciation expense	<u>(9,016)</u>	<u>(14,912)</u>
Closing carrying amount	<u>12,750</u>	<u>19,352</u>
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	17,408,811	17,429,076
Additions	105,980	135,436
Net revaluation increments	1,276,772	-
Depreciation expense	<u>(154,514)</u>	<u>(155,701)</u>
Carrying amount at 30 June	<u>18,637,049</u>	<u>17,408,811</u>

**NOTE 15: PAYABLES**

**CURRENT**

*Unsecured liabilities*

Trade creditors	184,748	292,293
Sundry creditors and accruals	<u>750,146</u>	<u>698,910</u>
	<u>934,894</u>	<u>991,203</u>



**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		2020	2019
		\$	\$
<b>NOTE 16: PROVISIONS</b>			
CURRENT			
Employee benefits	(a)	<u>343,106</u>	<u>335,151</u>
(a) Aggregate employee benefits liability		343,106	335,151

**NOTE 17: OTHER LIABILITIES**

CURRENT			
Deferred income		1,821,201	1,559,268
Revenue received in advance		79,551	182,662
Fund held in trust - Rental determination		<u>18,225</u>	<u>22,000</u>
		<u>1,918,977</u>	<u>1,763,930</u>

**NOTE 18: RESERVES**

Asset revaluation reserve	18(a)	<u>11,221,402</u>	<u>10,068,281</u>
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**(a) Asset revaluation reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

*Movements in reserve*

Opening balance		10,068,281	10,068,281
Revaluation of property, plant and equipment, net of tax		925,660	-
Change in tax rate		<u>227,461</u>	<u>-</u>
Closing balance		<u>11,221,402</u>	<u>10,068,281</u>

**NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION**

Compensation received by key management personnel of the group			
- short-term employee benefits		<u>295,000</u>	<u>288,574</u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: RELATED PARTY TRANSACTIONS**

**(a) Transactions with other related parties**

Property Data Online had several transactions with its parent entity, The Real Estate Institute of Victoria, during the year ended 30 June 2020.

Property Data Online has an intercompany payable to The Real Estate Institute of Victoria of \$1,136,523 at 30 June 2020 (2019: \$1,566,053).

The Real Estate Institute of Victoria provided services to Property Data Online totaling \$300,000 for the year ended 30 June 2020 (2019: \$420,000)

**NOTE 21: INTERESTS IN CONTROLLED ENTITIES**

*(a) Subsidiaries*

The following are the group's significant subsidiaries:

	Country of incorporation	Ownership interest held by the group		Ownership interest held by NCI	
Subsidiaries of The Real Estate Institute of Victoria:		2020 %	2019 %	2020 %	2019 %
Propertydataonline Pty Ltd	Australia	100	100	-	-
Touch Base Telematics Pty Ltd	Australia	-	100	-	-

Effective 31 May 2019 PDOL purchased the remaining shares in Touch Base Telematics to own 100%. The investment was fully impaired for the year ended 30 June 2019 and Touch Base Telematics Pty Ltd was deregistered 20 February 2020.

THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES

ABN: 81 004 210 897

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 22: INTERESTS IN ASSOCIATES AND JOINT ARRANGEMENTS**

*(a) Associates and Joint Ventures*

Interests are held in the following associated companies:

Associate	Nature of relationship	Ownership interest		Measurement basis
		2020 %	2019 %	
Realestateview.com.au Ltd	Associate	17.94	27.46	Fair value

Balance date: 30 June 2020

Country of incorporation: Australia

From 6 December 2019, the REIV's shareholding in REV reduced to 17.94% following Realestateview.com.au Ltd (REV) capital raising. As at the date of reduced shareholding, REIV ceased to have significant influence over REV.

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>NOTE 23: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:		
Cash on hand	500	500
Cash at bank	2,453,497	1,208,009
At call deposits with financial institutions	<u>700,000</u>	<u>1,450,000</u>
	<u><u>3,153,997</u></u>	<u><u>2,658,509</u></u>
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>		
Loss from ordinary activities after income tax	152,173	(494,652)
<b>Adjustments and non-cash items</b>		
Amortisation / Depreciation	1,291,485	1,279,075
Reduction in provision for doubtful debts	(17,575)	-
Impairment	-	220,557
Net gain on disposal of financial instruments	-	(166,118)
Equity accounted share of loss in REV	-	305,677
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in receivables	(220,219)	105,393
Decrease / (Increase) in other assets	174,330	(171,314)
(Increase) / decrease in inventories	(15,069)	3,836
(Decrease) / increase in payables	(56,309)	292,511
Increase / (decrease) in other liabilities	155,047	(636,326)
(Increase) / decrease in deferred taxes	16,038	40,799
Increase / (decrease) in provisions	<u>7,955</u>	<u>(21,889)</u>
Cash flows from operating activities	<u><u>1,487,856</u></u>	<u><u>757,549</u></u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 24: MEMBERS' GUARANTEE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$2 each towards meeting any outstandings and obligations of the company. At 30 June 2020 the number of members was 6,823 (2019: 7,595). The combined total amount that members of the company are liable to contribute if the company is wound up is \$13,646 (2019: \$15,190).

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 25: PARENT ENTITY DETAILS</b>		
Summarised presentation of the parent entity, The Real Estate Institute of Victoria, financial statements:		
<b>(a) Summarised consolidated statement of financial position</b>		
<b>Assets</b>		
Current assets	6,199,787	6,127,328
Non-current assets	<u>19,019,481</u>	<u>17,760,903</u>
Total assets	<u>25,219,268</u>	<u>23,888,231</u>
<b>Liabilities</b>		
Current liabilities	3,087,277	2,911,127
Non-current liabilities	<u>2,765,096</u>	<u>2,625,407</u>
Total liabilities	<u>5,852,373</u>	<u>5,536,534</u>
Net assets	<u>19,366,895</u>	<u>18,351,697</u>
<b>Equity</b>		
Share capital	-	-
Retained earnings	8,145,493	8,283,416
Reserves		
Asset revaluation reserve	<u>11,221,402</u>	<u>10,068,281</u>
Total equity	<u>19,366,895</u>	<u>18,351,697</u>
<b>(b) Summarised consolidated statement of profit or loss and other comprehensive income</b>		
Loss for the year	(137,923)	(498,795)
Other comprehensive income for the year	<u>1,153,121</u>	<u>-</u>
Total comprehensive income / (loss) for the year	<u>1,015,198</u>	<u>(498,795)</u>

**THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES**  
**ABN: 81 004 210 897**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the group.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 12 - 42, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2020 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:  Leah Calnan  
2020.10.09 12:03:49 +11'00'

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Leah Calnan

Dated this 9th day of October 2020

THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES  
ABN: 81 004 210 897

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REIV

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of The Real Estate Institute of Victoria Ltd (Consolidated) "the Company" and its controlled entities, "the Group", which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES  
ABN: 81 004 210 897

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REIV

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

THE REAL ESTATE INSTITUTE OF VICTORIA LTD AND CONTROLLED ENTITIES  
ABN: 81 004 210 897

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REIV

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REIV

*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



D A KNOWLES

Partner



PITCHER PARTNERS

Melbourne

Date 12 October 2020